

PURPOSE:

To assist low and moderate income applicants to purchase new or existing houses. This is made possible by the USDA Guarantee for loans made by approved conventional lenders.

ELIGIBILITY REQUIREMENTS:

- Does not currently own adequate housing.
- Unable to secure the necessary credit from other sources without a guarantee.
- Must be a US citizen or qualified alien.
- Must personally occupy the dwelling.
- Must have adequate & dependable income sufficient to meet all obligations.
- Must have an acceptable credit history.
- Must show adequate repayment ability for the loan request. Expected monthly housing costs including housing payment, real estate taxes, and property insurance must be no more than 29% of gross monthly income. The monthly housing costs plus other monthly obligations must be no more than 41% of total monthly income.
- Must have adjusted household income that does not exceed the moderate income established for the county. Please refer to the income limits shown in this pamphlet.
- Have legal capacity to incur the loan obligation.

ELIGIBLE LOAN PURPOSES:

- Purchase a new or existing single-family dwelling.
- New construction must comply with applicable Building Codes.
- Closing costs, guarantee fee, legal fees, title services, cost of establishing an escrow account, and other prepaid items may be included as long as the total loan does not exceed the appraised value plus the guarantee fee.

HOUSING REQUIREMENTS:

- Existing homes must be structurally sound, functionally adequate, and in good repair.
- Existing manufactured homes (mobile homes) and properties with in-ground swimming pools prohibited.
- No restrictions on the size or design of the home financed.
- Homes must be located in designated rural areas. Please refer to our website at:
<http://www.rurdev.usda.gov/mi/maps/mapsmain.htm>
<http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>
- Income-producing property cannot be financed.
- The dwelling must meet HUD's minimum property standards for existing dwellings as outlined in the HUD Handbooks 4150.2 and 4905.1

SITE REQUIREMENTS:

- On site water and sewage systems must comply with local zoning and state approvals/health standards.
- Value of the site is not to exceed 30%

LOAN RATES AND TERMS:

- 30 year term
- Fixed interest rate which may not exceed Fannie Mae's posted yield for 90-day delivery (Actual/Actual) plus six-tenths of 1 percent for 30-year fixed rate conventional loans, rounded up to the nearest one-quarter of 1 percent.

MAXIMUM LOAN AMOUNTS:

- The applicant's income and loan repayment ability will dictate the maximum loan amount.
- Loans may be for up to 100% of the appraised value of the property plus the guarantee fee.

FEES:

- 2 percent up-front fee for purchase and refinance transactions;
- 0.4 percent annual fee based on the average scheduled unpaid principal balance of the loan, for **both** purchase and refinance loans transactions.
- No mortgage insurance is required.
- No limit on seller contribution unless set by the lender.

GUARANTEED RURAL HOUSING INCOME LIMITS CHART

<u>HOUSEHOLD SIZE/INCOME LIMIT</u>		
<u>COUNTY</u>	<u>1-4 Person</u>	<u>5-8 Person</u>
Barry	\$75,900	\$100,200
Clinton	\$79,000	\$104,300
Emmet	\$75,350	\$99,450
Eaton	\$79,000	\$104,300
Grand Traverse	\$75,750	\$100,000
Ingham	\$79,000	\$104,300
Lapeer,	\$81,650	\$107,800
LeeLanau	\$79,800	\$105,350
Lenawee	\$89,850	\$118,600
Livingston	\$93,450	\$123,350
Macomb,	\$81,650	\$107,800
Marquette	\$75,550	\$99,750
Midland	\$76,500	\$101,000
Monroe	\$80,850	\$106,700
Oakland	\$81,650	\$107,800
Ottawa	\$81,800	\$108,000
St. Clair,	\$81,650	\$107,800
Washtenaw	\$93,450	\$123,350
Wayne	\$81,650	\$107,800
All other counties	\$74,750	\$98,650

HOW TO APPLY:

Homebuyers can obtain an application with a participating lender. Further information on all of USDA's programs is available at the USDA Rural Development either office listed below. Information is also available on the USDA Rural Development website at:
<http://www.rurdev.usda.gov/mi>

For more information contact:**MASON**

525 Okemos Road, Suite B
Mason, MI 48854
(517) 676-1808 ext. 6
Toll Free: 1-888-771-6993

TRAVERSE CITY

1501 Cass St., Suite A
Traverse City, MI 49684
(231)941-0951 ext.6
Toll Free: 1-800-944-8119

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**UNITED STATES DEPARTMENT OF
AGRICULTURE**

**GUARANTEED RURAL
HOUSING PROGRAM**



STATE ADMINISTRATIVE OFFICE

3001 Coolidge Rd., Suite 200,
East Lansing, MI 48823
COM: (517) 324-5210 FAX: (517) 324-5225
Toll Free: 1-800-944-8119
Toll Free: 1-888-771-6993
TDD: (800) 649-3777

Rural Development online:
<http://www.rurdev.usda.gov/mi>